Trevor and LaVonne are married, U.S. citizens living in Puerto Rico. They plan to use the Married Filing Jointly filing status and not itemize deductions.

Their income and taxes withheld or accrued during this tax year are:

Income and Taxes	**Amount**
Interest from U.S. bank	$2,300
Wages from Trevor's job at a local hotel (exempt under IRC 933)	$27,500
Wages from LaVonne's job with the federal government	$32,859
LaVonne's COLA from the federal government (exempt under IRC 933)	$3,779
Income tax withheld by U.S.	$2,789
Tax liability accrued to Puerto Rico	$3,756

Form **1116**

Department of the Treasury
Internal Revenue Service (99)

Foreign Tax Credit

(Individual, Estate, or Trust)

▶ **Attach to Form 1040, 1040NR, 1041, or 990-T.**

▶ **Information about Form 1116 and its separate instructions is at *www.irs.gov/form1116*.**

OMB No. 1545-0121

2016

Attachment Sequence No. **19**

Name

Identifying number as shown on page 1 of your tax return

Use a separate Form 1116 for each category of income listed below. See *Categories of Income* in the instructions. Check only one box on each Form 1116. Report all amounts in U.S. dollars except where specified in Part II below.

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a ☐ Passive category income
b ☐ General category income
c ☐ Section 901(j) income
d ☐ Certain income re-sourced by treaty
e ☐ Lump-sum distributions

f Resident of (name of country) ▶

Note: If you paid taxes to only one foreign country or U.S. possession, use column A in Part I and line A in Part II. If you paid taxes to **more than one** foreign country or U.S. possession, use a separate column and line for each country or possession.

Part I Taxable Income or Loss From Sources Outside the United States (for Category Checked Above)

		Foreign Country or U.S. Possession A	B	C		Total (Add cols. A, B, and C.)
g	**Enter the name of the foreign country or U.S. possession** ▶					
1a	Gross income from sources within country shown above and of the type checked above (see instructions):				1a	
b	Check if line 1a is compensation for personal services as an employee, your total compensation from all sources is $250,000 or more, and you used an alternative basis to determine its source (see instructions) ▶ ☐					
	Deductions and losses (**Caution:** See instructions.):					
2	Expenses **definitely related** to the income on line 1a (attach statement)					
3	Pro rata share of other deductions **not definitely related:**					
a	Certain itemized deductions or standard deduction (see instructions)					
b	Other deductions (attach statement)					
c	Add lines 3a and 3b					
d	Gross foreign source income (see instructions)					
e	Gross income from all sources (see instructions)					
f	Divide line 3d by line 3e (see instructions)					
g	Multiply line 3c by line 3f					
4	Pro rata share of interest expense (see instructions):					
a	Home mortgage interest (use the Worksheet for Home Mortgage Interest in the instructions)					
b	Other interest expense					
5	Losses from foreign sources					
6	Add lines 2, 3g, 4a, 4b, and 5				6	
7	Subtract line 6 from line 1a. Enter the result here and on line 15, page 2 ▶				7	

Part II Foreign Taxes Paid or Accrued (see instructions)

Country	Credit is claimed for taxes (you must check one) (h) ☐ Paid (i) ☐ Accrued	Foreign taxes paid or accrued: In foreign currency				In U.S. dollars				
		Taxes withheld at source on:				Taxes withheld at source on:				
	(j) Date paid or accrued	(k) Dividends	(l) Rents and royalties	(m) Interest	(n) Other foreign taxes paid or accrued	(o) Dividends	(p) Rents and royalties	(q) Interest	(r) Other foreign taxes paid or accrued	(s) Total foreign taxes paid or accrued (add cols. (o) through (r))
A										
B										
C										
8	**Add lines A through C, column (s). Enter the total here and on line 9, page 2** ▶								8	

For Paperwork Reduction Act Notice, see instructions.

Cat. No. 11440U

Form **1116** (2016)

Part III Figuring the Credit

9	Enter the amount from line 8. These are your total foreign taxes paid or accrued for the category of income checked above Part I	9			
10	Carryback or carryover (attach detailed computation)	10			
11	Add lines 9 and 10	11			
12	Reduction in foreign taxes (see instructions)	12	( )		
13	Taxes reclassified under high tax kickout (see instructions)	13			
14	Combine lines 11, 12, and 13. This is the total amount of foreign taxes available for credit			14	
15	Enter the amount from line 7. This is your taxable income or (loss) from sources outside the United States (before adjustments) for the category of income checked above Part I (see instructions)	15			
16	Adjustments to line 15 (see instructions)	16			
17	Combine the amounts on lines 15 and 16. This is your net foreign source taxable income. (If the result is zero or less, you have no foreign tax credit for the category of income you checked above Part I. Skip lines 18 through 22. However, if you are filing more than one Form 1116, you must complete line 20.)	17			
18	**Individuals:** Enter the amount from Form 1040, line 41; or Form 1040NR, line 39. **Estates and trusts:** Enter your taxable income without the deduction for your exemption	18			
	Caution: If you figured your tax using the lower rates on qualified dividends or capital gains, see instructions.				
19	Divide line 17 by line 18. If line 17 is more than line 18, enter "1"			19	
20	**Individuals:** Enter the amounts from Form 1040, lines 44 and 46. If you are a nonresident alien, enter the amounts from Form 1040NR, lines 42 and 44. **Estates and trusts:** Enter the amount from Form 1041, Schedule G, line 1a; or the total of Form 990-T, lines 36, 37, and 39			20	
	Caution: If you are completing line 20 for separate category **e** (lump-sum distributions), see instructions.				
21	Multiply line 20 by line 19 (maximum amount of credit)			21	
22	Enter the **smaller** of line 14 or line 21. If this is the only Form 1116 you are filing, skip lines 23 through 27 and enter this amount on line 28. Otherwise, complete the appropriate line in Part IV (see instructions) ▶			22	

Part IV Summary of Credits From Separate Parts III (see instructions)

23	Credit for taxes on passive category income	23			
24	Credit for taxes on general category income	24			
25	Credit for taxes on certain income re-sourced by treaty	25			
26	Credit for taxes on lump-sum distributions	26			
27	Add lines 23 through 26			27	
28	Enter the **smaller** of line 20 or line 27			28	
29	Reduction of credit for international boycott operations. See instructions for line 12			29	
30	Subtract line 29 from line 28. This is your **foreign tax credit.** Enter here and on Form 1040, line 48; Form 1040NR, line 46; Form 1041, Schedule G, line 2a; or Form 990-T, line 41a ▶			30	

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